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October 23, 2018

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## Academy Securities Geopolitical SITREP

Geopolitical Flashpoints: The Macroeconomic Impact of the Geostrategic Landscape

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### Table of Contents:

00:00 - 10:10: Short and long-term impact on the U.S.-KSA relationship

10:11 - 15:58: Market impact

15:59 - 22:00: Middle East dynamics and MBS's future

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### Key Points:

- There is no shortage of brutality and control in the Saudi Government, but the U.S. must take the long view with the Kingdom
- The fact that this horrific act happened in Turkish Territory complicates the matter
- This event is unlikely to have a long-term negative impact on the U.S.- Saudi relationship
  - Short-term business impact
  - Future arms sales could be conditional
- Long-term, the stakes are too high as it concerns counter-Iranian strategy in the region
  - Diminishing the relationship would lessen the U.S.' physical, economic and influential access in the Middle East
  - Media attention will demand a response from the Trump administration against the Kingdom
- We don't conduct arms sales for profits; we conduct arms sales as a means to an end - to secure American ideals and interests abroad
- The U.S. will not abandon the Kingdom as a regional ally – the relationship is too important
  - However, the U.S. must "walk through" the problem not "walk away"
- The market is not panicking
- The Kingdom's bonds issued in April traded lower in May than now
- The bond market is signaling that this will not play out to the detriment of the U.S.-KSA relationship
- Buy aerospace and defense as, in the long-term, the contracts are unlikely to be abandoned
- Middle Eastern oil is trading higher, even as the U.S. becomes more energy independent
  - See our geopolitical and energy report [here](#)
- The markets have been incredibly resilient even in these tumultuous geopolitical times
- As the U.S. becomes more energy independent, the relationship with KSA has evolved from access to oil to access to influence
- MBS's stock is falling, his role as the viable future leader of KSA is now in question

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**Major General (Ret.) James A. "Spider" Marks** is Head of Geopolitical Strategy and Academy Securities' Senior Advisory Board Member. General Marks is the Founder and President of The Marks Collaborative, an advisory for corporate leader development, education and training and has led entrepreneurial efforts in global primary research and national security. He served over 30 years in the Army holding every command position from infantry platoon leader to commanding general and was the senior intelligence officer in the LA Riots, the Balkans, Korea, and Operation Iraqi Freedom. He culminated his career as the Commanding General of the U.S. Army Intelligence Center and School at Fort Huachuca, Arizona. He has been awarded the Distinguished Service Medal, the Defense Superior Service Medal, Legion of Merit with Oak Leaf Cluster, Bronze Star, and multiple combat, expeditionary and service ribbons. General Marks is a Master Parachutist, authorized to wear Korean and Canadian Airborne wings, Air Assault qualified, and Honor Graduate of the U.S. Army Ranger School. General Marks is a national security contributor to CNN and member of the Military Intelligence Hall of Fame.

**Lieutenant General (Ret.) David Deptula** is an Academy Securities' Advisory Board Member. General Deptula served in the United States Air Force for more than 34 years where he took part in operations, planning, and command leadership at the most senior levels. He was the principal attack planner for the 1991 Operation Desert Storm air campaign, commander of no-fly-zone operations over Iraq in the late 1990s, and director of the air campaign over Afghanistan in 2001. Additionally, Lieutenant General Deptula was twice a joint task force commander and was the air commander for the 2005 South Asia tsunami relief operations. His last assignment was as the Air Force's first deputy chief of staff for intelligence, surveillance, and reconnaissance (ISR), where he transformed America's military ISR and drone enterprises.

**Peter Tchir** is head of Macro Strategy at Academy Securities. He has 25 years in the industry focusing on fixed income. He has traded and structured products ranging from complex transactions, junk bonds, liquid CDS indices, and ETFs. This background helps bring a unique frame of reference to his market strategies and analysis. It helps him focus on what is relevant for the here and now for investors and issuers. He has worked closely with a wide range of investors and portfolio managers since he established TF Market Advisors as an independent firm in 2010. He is regularly quoted in the media for his views on the macro outlook and fixed income strategies. His expertise provides insight into risk, identifying opportunities on a global macro basis, with an emphasis on fixed income. As the Head of Macro Strategy, Peter communicates these opportunities and approaches effectively to customers. Peter received a B.S. in mathematics and computer sciences from the University of Waterloo and an MBA with distinction from Vanderbilt University, where he also won the Matt Wiggington Leadership Award for outstanding performance in finance.

**Rachel Washburn** is an Associate of Geopolitical Strategy at Academy Securities. Rachel served six years in the U.S. Army as an Intelligence Officer. While serving, Rachel deployed twice to Afghanistan; first as a member of the pioneer Cultural Support Team attached to Special Forces and second as an intelligence Platoon Leader. Since leaving the Army in 2016, Rachel continued to pursue a career addressing global security and instability, most recently acting as a regional director with a nonprofit focused on bringing relief in the wake of disasters and armed conflicts. Rachel is a graduate of Drexel University.

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